



PRIME MINISTER

FOR MEDIA

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ADDRESS TO THE
NATIONAL CONVENTION OF THE YOUNG LIBERAL
MOVEMENT OF AUSTRALIA

I am grateful to you, Mr President, and to your Executive, for the invitation to open this twelfth annual convention, and to address you.

Of course, this convention has a special significance. We have not only entered a new year, but also a new decade. The future invites us to action and challenges us with opportunity.

But above all, this is an election year in which we must again assert the continuing relevance and capacity of Liberalism to meet the emerging challenges.

As we confront new tests as a Party, a Government, a nation, our confidence in what we can achieve is strengthened by the significant progress we have made in the last four years. This progress has been won by the Government accepting its responsibilities. It has been assisted by a nation, often confronted with difficult choices.

But together we have learnt that difficult decisions, difficult choices, often provide the only responsible solutions. Now, at the end of four years of responsible economic management, our achievements are significant. In many areas they are being internationally acknowledged.

Liberalism, called upon in the middle 70's by the Australian electorate to inject commonsense and commitment into the Australian nation and its economy, has fashioned a magnificent response.

For four years, we have waged the fight against inflation, and our success in absolute terms has been significant. In terms relative to some of our major trading partners, our improvement has also been significant. But this fight must continue, even though we start the 80's with a relatively better record against inflation than countries like Great Britain and the United States of America.

Because we have contained costs, our exports are more competitive on world markets. This provides incentives for increasing factory production. Business investment is strengthening. The gross value of rural output shows a dramatic improvement on levels of two years ago.

And while unemployment is still too high, figures released only last week show that the numbers of civilian employees, that is, wage and salary earners, in Australia, passed the 5 million mark for the first time. In the year ended October 31, there were 81 thousand more wage and salary earners in employment than was the case a year ago, and the figures for over-all employment are even higher than this.

These are significant achievements. To them we can add our national endowments of raw materials and energy resources in a world experiencing deficiencies in both.

In my election speech in 1977, I announced to the Australian people that, "Australia is ready to go with \$6,000 million of development". In the two financial years which followed that statement, actual investment was even higher than I predicted, at \$6,400 million.

I indicated then that "in the coming three years we can look to other vast developments". This has now been proven. Most recent figures indicate that \$16.5 billion worth of mining and manufacturing projects are either about to go ahead in Australia, or are in the final stages of preparation. A massive increase on the level of two years ago.

The Government's dedication to economic growth has produced results. This is the measure of business response, here and overseas, to our hard-won and vastly improved economic position. How much more important this is today in the politically delicate international situation which is emerging. It is only from a position of economic strength that a nation can command international and diplomatic influence. How much more significant it is, in the light of international circumstances, that in the last four years we have arrested and reversed Australia's economic decline.

Mistakenly, all of this prompts cries of complacency about us being the lucky country. The fact that we cannot rely on luck was adequately demonstrated in the Labor years. It was then proven conclusively that in spite of our great endowments, all things do not come to those who simply sit and wait.

Rather, we must pursue economic, individual, and national success. We have to work to make a better nation and the only way we can do this is to implement policies which will increase our total national wealth. Our Party seeks its continuing claim to govern in the 80's on its capacity to secure and enhance conditions for economic growth. This goal, central to national well-being, was beyond the capacity of the Whitlam government to realise; the means for achieving economic growth, the priorities which lead to it, are beyond the understanding of the Labor Party now.

Last week, the Leader of the Opposition felt so aggrieved that I, as Prime Minister, had addressed the nation about the great opportunities before us, that he felt it necessary to respond. In his response, Mr Hayden posed as the new economic miracle man. His promise was no more than an economic joke.

In a rare concession, he at last acknowledged that "we should get inflation under control". In the same breath he promised massive expenditure: "free medical insurance for mothers and

children"; "your family pay packet (increased) by an average of \$17 a week"; "major Labor-intensive capital works in all States"; "a national community services corps".

Time did not allow further detailing by Mr Hayden of a long list of expenditure promises he is already committed to. Yet no sooner had he finished promising this expenditure, when he told us, "There must be cuts in indirect taxes, and substantial additional cuts in income tax and sales tax".

By this time, the audience realised that Mr Hayden's joke was at their expense. Here was the old Labor prescription all over again. Showing contempt for the economic well-being of Australia; contemptuous of the intelligence of all Australians, he promised increased expenditure and lower taxation while maintaining the pretence that inflation would be reduced.

We would all be enriched if Mr Hayden would explain to this nation, and the nations of the world, how this could be done. There is no cargo cult creed.

You cannot have increased expenditure and decreased taxation without massive inflation and massive deficits. Margaret Thatcher put it well this week when she said, "Pennies don't come from heaven, they have to be earned here on earth".

Mr Hayden compounded his economic fantasies when he announced in his broadcast that we should reduce the price of petrol. Yet, in March, 1979, Mr Hayden was asked on the ABC, "Can we ever remain a haven for cheaper petrol?". His answer, "No-one can argue against the economic principles, the sound economic principles, in support of parity pricing, import parity pricing of petroleum products".

The London Economist of December 22 last, arguing about the validity of increasing petrol prices, said, "The West's citizens can be chivvied and cozened into energy conservation, provided the prices signal is pointing in the same direction".

In the London Sunday Times of December 16 last, the economics editor said, "Rising prices of energy in the 70's were indeed necessary to hold back demand and provide incentives to supply".

He asked, "Are higher oil prices necessary to bring forth more energy?". To which he answered, "Many oil fields would not have been viable if real oil prices had not risen."

All this wisdom was wasted on Mr Hayden. The Labor Party, the tax-mongers of Australia's wealth in the mid-70's; the doom-mongers of Australia's future; now seek to become the waste-mongers of Australia's energy.

We are in a privileged position in relation to supply and cost of petrol. We must match this privilege with responsibility. The United States has already announced, and is acting upon, its commitment to world parity pricing, as America, too, finds limited insulation from the world energy problem. Our petrol price of around 29¢ a litre still compares more than favourably with Britain - 51¢; Germany - 57¢; Japan - 63¢ a litre; France - 68¢; and Italy - 74¢.

In fact, an Australian motorist purchasing 40 litres of petrol a week in 1959 would have spent 7.8% of average weekly earnings. In 1969, the same amount of petrol would have cost only 5.1% of average weekly earnings. In 1979, a motorist purchasing 40 litres of petrol a week would spend even less - 4.7% of average weekly earnings.

To gain any credibility on the petrol pricing question, the Opposition will need to move their argument from myth to reality. It may be slick politics to offer cheap petrol; to talk in slogans about breaking with the import parity system. Has no-one in the Labor Party thought this through?

Let us take a realistic look at what Labor's so-called cheaper petrol means. It means that this generation of Australians would have an almost unlimited right to use up our scarce fuel reserves. It means that, as a nation, we should have no responsibility to the energy needs of the next generation. It means that industry would be enticed to postpone new technologies of conservation and replacement rather than be encouraged to move into more viable forms of energy. It means that development and exploration would be inhibited.

All of this means that Australian reserves would run down, and Australia would become a defenceless victim of the international oil cartel - beggars for fuel, not just at parity pricing, but even spot prices; prices which cash in on factors of limited supply and unlimited demand.

There is no escaping the reality that price must be used as a barometer of scarcity. Our decision on parity pricing represents further proof that we have to look to the most difficult decisions for the most responsible solutions.

What Labor is promising is not just a selfish, narrow-minded, inward-looking policy. It is a policy which pays no regard to Australia's future needs and indicates the depth to which Labor will sink in an attempt to purchase votes.

I am confident that the judgment of the Australian people reflects their concern also for Australia's future. The cynicism of the Labor Party about the Australian voter is reflected in their recently-published views that swinging voters are, and I quote, "Basically ignorant and indifferent about politics...ill-informed and generally pretty selfish".

I believe that on the petrol issue, Australians are capable of distinguishing between the myth and the reality of future economic growth in Australia. Our dedication to promoting economic growth is proven and unyielding, not because it is inherently more important than other personal and social goals, but because without economic growth the aspirations of an advanced society cannot be realised. Without economic growth, our goals of creating more jobs; improving welfare; continuing support for the arts and cultural activities; providing a life for all Australians which maximises choice, freedom, opportunity and achievement - these goals cannot be achieved without sustainable economic growth.

If, as under the Whitlam years, goals are pursued without containing inflation, without regard for productivity or economic growth, then the result is that while one goal might be achieved, it is only achieved at the expense or impoverishment of something or someone else.

As Professor Henderson said in his recent report on poverty in Australia, "...an inflationary spiral ... does more damage to poor people than the assistance provided by ... reforms".

Because there are inherent threats to the well-being of our community in the policies and platform of the Labor Party, we must pronounce our achievements and pursue our future plan with purpose and persistence. We must harness all our talents, our energy, our enthusiasm, and those of all Australians.

Success in the 80's, as in recent years, will require the right policies from Government, coupled to a willingness amongst us all to use our freedom profitably in new enterprises. All Australians have learnt that the policies which allow for the enterprise which brings achievement; the policies which provide appropriate rewards for risk-taking in the pursuit of achievement; these policies can only be forthcoming from a Liberal Government. They have been possible under Liberal government because Liberalism rejects the notion that a Government growing in size and power, and concentrated in Canberra, is the answer to a better life for all Australians.

In the F.E. Chamberlain lecture in March last year, Mr Hayden stated clearly that, "The challenge to .. Socialism .. is the rapid spread of philosophies based on lower taxes and smaller government.."

Let us unapologetically proclaim that Liberalism will continue with its challenge. The most powerful force for progress and achievement in the future is the individual who, by his own efforts, his own decisions, his own volition, charts his way through this new decade.

Your role, as in the past, will be significant. Like any organisation you face your own challenges. They will increase according to the level of responsibility you accept. One of our challenges is to see that young people see our Party and the Young Liberal movement as relevant to their needs.

We all sometimes need reminding that the Party does not exist for our personal advancement or benefit, but rather as an organisation through which Australia can be responsibly and well-governed for the advantage of all Australians. It is through our own example that other Australians will be encouraged to accept our principles, and to join with us in the fight for their political ascendancy.

One of the great strengths of this annual convention is the forum that it provides for discussion and debate about issues in which you have a special expertise. Often, this expertise derives from the particular qualities, talents and experiences you have as part of Australia's youth. Especially is this true on the question of education, and on the vexed question of youth unemployment.

These problems are overstated by some, underestimated by others. The solutions to them are never simple. The education of our youth has gathered momentum as an urgent priority since the war. As a top priority of governments, it has won universal acceptance.

In 1961, the then President of the United States said, "Our progress as a nation can be no swifter than our progress in education ... our hopes for economic growth and the demand for citizenship itself ... require the maximum development of every young person's capacity".

Implicit in this statement was the belief that education was the vehicle for the development of these capacities. It was legitimately argued that the human mind was our most fundamental resource; that the basic educational training of it was the most sophisticated preparation for professional work.

For more than two decades this view has been shared by Australian governments and Australian parents. In the 1970/71 financial year, the total Commonwealth and State government expenditure on schools in Australia was \$840 million. By this financial year, this total had risen to \$4,049 million.

This explosion occurred against a background in which for a long time, people had got jobs almost irrespective of their education - some might say in spite of it. Those who were not so good at school left and got employment. Those who were good at school stayed on and got better employment. Because of this, the education system was rarely placed under the microscope.

Now, of course, more people want to work. Yet, recent surveys show that employers are protesting that there are jobs which cannot be filled; that the capacities of some young people entering the workforce are not adequate to meet the demands placed upon them. Some employers complain about the poor representation of certain young people in the workforce; of attitudes and abilities which are not conducive to winning employment.

These complaints say more about the systems through which young people pass than they do about young people themselves. The advocates of universal education down through the years, have argued that education was the agent of equality. Now, education's critics are arguing that the flaws of the system are such that education is raising barriers against young people's progress rather than eliminating them.

Governments have provided resources; proper returns have not occurred. In fact, it is in recent times while colossal expenditure in education has been going on, that the values, direction and competence of the education system have been most severely questioned.

People are rightly concerned that too much education is for the academically-minded, those with special talents. But those without academic ability are entitled to at least as much attention. I would argue, more. They are not getting it. People with academic preoccupations, inside or outside the education system, must understand their capacity to compound and frustrate a student's sense of failure when goals are pursued that cannot be reached.

A New South Wales Labor M.P., quoted in this week's Bulletin, says, "What we need is public confidence in our schools and that's not there ... the education system is not doing what we want it to do". Yet expenditure in primary and secondary education has risen phenomenally during the last decade.

Because of this, recurrent expenditure per primary student in government schools rose by more than 50% in real terms between 1972-73 and 1977-78, and by 38% at secondary level.

At the same time, pupil/teacher ratios have been significantly reduced. There can be no doubt that there are many, many proven and dedicated teachers in education today. Yet if, in spite of all this, children are sent out of school unable to read, write or add up to an acceptable standard; if the values transmitted by the education system are inconsistent with those which society expects of young people, then clearly young people are being betrayed by the system.

We can no longer remain impervious to community concern. Does anyone believe that all these monies have been well-directed, in the public good? The system is failing those to whom it owes the most help. Good students will survive and succeed anywhere. Indeed, they thrive on academic structures.

But for those not so academically inclined, curricula and course structures are deficient. Courses are needed which meet the aspirations of all students. It must be the objective of every school to enable each child to find a level of opportunity, to experience a sense of achievement.

To do otherwise, not only fails our young people, but leaves them with a sense of isolation and frustration. Of course, there must be discipline, relevance and content in any educational system. But it is time that education accepted the demands of a modern, industrial society and confronted new education realities.

For education, this is the challenge of the 80's. New successes will come, not by arguing successfully for the spending of more money, but by reassessing how existing monies are to be spent.

Young people should not be penalised for their inability to cope with the society they enter, when they have not received adequate training for such an entry.

While the Commonwealth has no general direct responsibility for primary and secondary education, it views with great seriousness its limitations. It has devised schemes which, while not eliminating the problems, will hopefully assist young people to surmount them.

Some of our programmes are designed to help the unemployed and the young unemployed without skills. They give special training and work experience, and by the end of this financial year, over half a million Australians, many of them young Australians, will have been assisted by these training programmes.

Recently these programmes have been strengthened. Acknowledging that skills are needed amongst the young unemployed, we have increased the incentives to employers to take on new apprentices.

We have expanded other measures to increase the intake of apprentices. We have announced plans to treble the intake by Commonwealth departments of the Special Youth Employment Training Programme. We have extended support in this programme to trainees taken on by State governments.

The Government is concerned that there is a recognised short-fall of tradesmen while young people, willing to take apprenticeships, have been unable to obtain them. Our initiatives demonstrate that we have acted upon that concern.

I have already referred to the problems facing young people as they move from school to work. I would argue that if existing institutions were doing their job properly, many of these problems would not exist. In particular, the school and the family will always possess an undeniable capacity to minimise such problems.

However, because problems exist, the Government accepts its responsibility to help overcome them. We have agreed to provide \$150 million over 5 years for a special transition programme which, we hope, will involve, in later years, increased contributions from the States and the Northern Territory.

The programmes are designed to stimulate or extend the interests of young people and our primary concern is for the thousands of young people who are leaving school each year with poor employment prospects. We want to provide appropriate education and training courses for them. We want also to tackle the problems of those in the schools who are likely to be in similar difficulties when it comes their turn to leave.

Our aim is that, ultimately, all young people in the 15-19 age group will be provided with options in education, training, employment or any combination of these.

Unfortunately, deficiencies cannot be removed overnight. The Government can provide direction and thrust; but unless teachers, parents, employers and the community at large act upon their concern, young people are not going to receive the support they deserve.

We all have a role to play - politicians, parents, employers, community leaders, trades unionists, and of course, youth themselves.

The whole thrust of the Government's initiative is designed to ensure that teenage years are productive, constructive and satisfying. The programmes I have outlined are essential. Yet, we must retain a balanced perspective about welfare programmes.

One of the challenges of the 80's will be to strike a balance between the cost of social welfare and the desire of the taxpayer to retain resources to support the living standards of himself and his family. These resources can only be improved in a healthy economy. The economic problems we inherited had placed the well-being of all Australians in jeopardy. We would have been entitled to make the economy and its health our sole concern.

Instead, our initiatives have been broad-based. Complementary with our pursuit of economic growth has been our achievement of great social reforms which service the needs of the nation from the strength of the economy.

Our 1976 Family Allowances Scheme, at the time, gave increased assistance to 300,000 families with 800,000 children. In the last three years, our support of facilities for the aged and handicapped has been greater than that of any other three-year period.

The provision of increased access to Commonwealth rehabilitation service programmes and the acceptance of the Galbally Report recommendations on the needs of migrants have confirmed our continuing commitment to those in need.

As well as these achievements, your initiatives, translated into Government action, have produced the National Youth Advisory Group, the office of Youth Affairs, and the National Youth Conference.

There is now, as never before, available to young people, the opportunity to bring forward their views to government. There is a certain appropriateness about speaking to a gathering of young Liberals as we begin a new year.

The enthusiasm, imagination, and latent ambition of all young people are capable of giving significant momentum to our quest for new achievement in the 80's.

These qualities, coupled to our Liberal policies, have not only brought Australia in the last four years to the current feeling of optimism and pride. They will be central to our continuing commitment to advance the frontiers of achievement for Australia and all Australians further and further out.

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